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## TO: Environmental Protection Agency (EPA) and National Highway Safety Administration (NHTSA)

### FROM: Margo T Oge

I served at the US EPA for 32 years and served as director of the Office of Transportation and Air Quality(OTAQ) for 18 years, from 1994-2012. During my tenure as director of OTAQ, I oversaw programs that reduced emissions across the transportation sector by as much as 95%. Also, I directed OTAQ efforts to develop and implement the 2012- 2016 and 2017-2025 GHG standards for passenger vehicles and light duty trucks.

Since leaving the EPA, I wrote a book titled "<u>Driving the Future: Combating Climate Change with Cleaner, Smarter Cars,</u>" serve as a Distinguished Fellow with ClimateWorks; as a member of the Volkswagen's International Sustainability Council; as a Board member for the National Academies of Science Board on Energy and Environmental Systems, the Union of Concerned Scientists (UCS), the International Council on Clean Transportation (ICCT, the National Academies of Science Advisory Committee for the U.S. Global Climate Change Research Program and Square Roots. In addition, I have been advising environmental NGOs and the EU Commission on the future CO2 car and commercial truck standards.

# PROPOSAL TO FREEZE THE 2025 GREENHOUSE GAS STANDARDS FAILS TO PROTECT PUBLIC HEALTH AND ENVIRONMENT

Based on my experience as the Director of the Office of Transportation and Air Quality (OTAQ) from 1994 to 2012 and as the senior career level executive leading the efforts at EPA under President Obama to establish the historic 2012-2016 and 2017-2025 GHG standards for light duty cars and trucks, I believe that the EPA and DOT proposal to freeze greenhouse gas (GHG) standards for cars and light trucks at model year 2020 levels should be withdrawn.

The proposal, if finalized, would be a disaster for the economy, consumers, public health, climate change and will create regulatory uncertainty for the automobile manufacturers and suppliers.

Rolling back the 2025 GHG standards will increase greenhouse gas emissions and contribute to the devastating impacts of climate change. The October 6, 2018 Intergovernmental Panel on Climate Change (IPCC) report [http://www.ipcc.ch/report/sr15/] is clear: climate change poses serious threats to the planet and we must do everything possible to reduce its devastating impacts by reducing our use of fossil fuels. The threats associated with climate change – hurricanes, drought, wildfires and more - cost lives and untold treasure in every part of the country. They are affecting us now and will likely have a more devastating impact on the lives of our children and grandchildren. This is a generational challenge of the utmost importance. More needs to be done - not less. EPA and NHTSA's proposal is a step backwards that fails to address this threat.

In addition, in the proposed rule EPA failed to considered that freezing the GHG fuel standards would increase air pollution and release toxic air pollutants that will increase premature deaths — as many as 299 on an annual basis.

In failing to exercise its scientific, engineering, economic and legal expertise, EPA has failed to protect public health and the environment as required by the CAA. The weakening of the greenhouse gas standards for new cars will lead to more premature deaths and will worsen the potentially catastrophic global warming impacts.

The fault for this lies with the EPA political appointees, not with its career staff and managers.

#### EPA HAS ABDICATED ITS LEGAL RESPONSIBILITY UNDER THE CAA

During President Trump's 2016 presidential campaign, he called for abolishing the EPA and labeled climate change a hoax. Now in office, he is attempting to fulfill his commitment to dismantle the EPA, step by step. These measures include weakening environmental protection programs, rolling back Obama-era climate programs and attempting to gut the EPA's budget. The current proposal to freeze the automotive GHG emissions standards is one more step in that direction. But, just as Congress refused to further cut EPA's budget, the strong laws guiding EPA and its mission provide a means to invalidate this proposal, for the simple reason that it is wildly inconsistent with what these laws require.

As interpreted by the Supreme Court, once EPA decides that greenhouse gas pollution endangers public health and welfare, as EPA has done, the Clean Air Act *requires* EPA to reduce greenhouse gas emissions from vehicles to protect public health from the threats of climate change. It is this authority that EPA exercised successfully while working with DOT and, with broad support by almost all stakeholders including the majority of automotive manufacturers, to set the 2017 to 2025 GHG car and light duty truck standards. Regrettably, this new proposal neuters this legal obligation, reversing decisions made in 2012 when the rule was finalized.

Furthermore, the proposal reverses the 2016 EPA and NHTSA Technical Assessment Report (TAR) and EPA Final Determination that the model year 2022-2025 standards remain appropriate. Relying on data created by engineers and scientists with deep industry and professional knowledge of emissions programs, the 2016 TAR and Final Determination clearly document that the model year 2025 standards are not only readily achievable, but are achievable at lower cost than the agencies predicted in 2012. In contrast, the current proposal would call a halt to this ongoing success. It is especially shameful to halt such progress when it is already substantially reducing emissions from transportation, the highest carbon-emitting sector of the US economy.

## **EPA IGNORED ITS OWN EXPERTISE**

During the interagency review process of this proposal, EPA senior career staff submitted comments to the Department of Transportation and the White House Office of Management and Budget (OMB) that indicate clearly that this proposal was essentially drafted by DOT. The staff furthered noted that the proposal has significant flaws and errors as well as unsupported technical and economic assumptions.

[https://www.regulations.gov/document?D=EPA-HQ-OAR-2018-0283-0453]

[https://www.washingtonpost.com/energy-environment/2018/08/15/trump-administration-said-weaker-fuel-standards-would-save-lives-epa-experts-disagree/?utm\_term=.dfd2f5f517d1]

Regrettably EPA acting administrator Andrew Wheeler not only ignored his experts' advice but has, apparently unthinkingly, signed on to the proposed analysis developed by the Department of

Transportation. This situation – an EPA administrator signing a rule drafted by another agency with a different mission while ignoring the advice of its own scientist and engineers - is unprecedented in my 32-years' experience at the agency.

Beyond serious questions of its legality, this strategy also bypasses the EPA career staff at OTAQ, the best automotive emissions control team in the world. In many cases these professionals came to EPA after spending years working for major companies in the industry. Many of EPA's automotive powertrain engineers are PhDs and have published dozens of Society of Automotive Engineers papers on fuel economy and emissions. EPA staff often also work closely with highly skilled contractors, investigating technical issues through, for example, state-of-the-art tear down studies used to calculate technology costs. For 18 years, I had the honor to lead this group of highly talented engineers and scientists, witnessing firsthand their experience and knowledge in automotive emissions control.

Likewise, the EPA vehicle facility at Ann Arbor, Michigan is recognized as the world leader in advancing automotive emissions control technology, conducting research, and developing emission control prototypes that quickly move to the production world. EPA has performed 10,000 fuel economy tests at its laboratory, and has benchmarked the world's cleanest and most efficient vehicles.

By comparison, NHTSA has never conducted a single CAFE test.

Starting 2007 after the historic Massachusetts vs EPA Supreme Court decision which directed EPA to protect public health and welfare from the harmful effects of GHG emissions, EPA invested millions of dollars in the work of this world leading staff. The result was the technical information developed to support the agency's 2012 rulemaking that set the GHG standards for model years 2017 to 2025. Their expertise is shown in the engineering, scientific, economic, and other work leading up to and supporting the mid-term evaluation of existing GHG standards that were finalized by EPA in 2017. This is the most comprehensive and in-depth review of GHG automotive emissions control technology performed by any governmental agency anywhere in the world.

EPA analyzed effectiveness, performance, and cost of the various technologies – as well as the interactions between technologies - so that the real-world effects on production vehicles could be reliably modeled. EPA looked at the powertrain, the tires, aerodynamics, and accessories, including refrigerants and the heating and cooling systems. All aspects of a vehicle that affected GHG emissions were analyzed, both individually and in combination. EPA conducted numerous peer reviews of its work and published numerous peer-reviewed papers detailing what was learned. The result was a rock-solid record that demonstrated the current standards are readily achievable and cost effective, using mainstream technologies and very little electrification. The cars you and I drive to work – much cleaner and more efficient than a decade ago - show how quickly industry has been able to integrate these standards into their products.

The tragedy is that NHTSA and EPA have walked away from this excellence, largely without explanation. The current proposal essentially ignores all the work done between 2012 to 2017. At best, the agencies have provided superficial explanations - ones that fail under any degree of scrutiny.

#### A BROKEN INTERAGENCY PROCESS

The proposal is the result of a broken, collaborative process between EPA and NHTSA and runs directly counter to how EPA and the Department of Transportation have worked together in the past. In State of Massachusetts v. EPA, the Supreme Court ruled that, though the agencies' legal obligations overlap, "there is no reason to think the two agencies cannot both administer their obligations and yet avoid inconsistencies". This is exactly how the original GHG standards for years 2012 to 2016 and 2017 to 2025 were developed. My book, "Driving The Future," documents in detail how the collaborative process used by EPA and NHTSA, working hand in hand with the state of California, the auto manufacturers and numerous other stakeholders, led to highly successful results. As described in the book, EPA and DOT investigated and analyzed the issues in a coordinated fashion, using their respective work-products to inform and further the other agency's work. For each rule, the agencies engaged in corroborative analyses as a cross-check, insuring the robustness of the ultimate standards. One notable example is each agency's use of separate predictive models to develop and cost out potential compliance pathways. This kind of coordinated work is not just good government, it leads to the most-credible, best-supported decisions with broad support -- and no lawsuits.

Unfortunately, this working relationship is not evident in this proposal that reverses seven years of work by EPA and NHTSA. Instead, EPA has effectively abdicated its obligation to develop greenhouse gas standards for passenger vehicles reflecting the reasoned exercise of its independent judgment. And both agencies have abjectly failed to confront and address the massive administrative record developed in support of the existing standards the TAR and EPAs 2017 final determination - again in violation of basic legal requirements.

The weakness of the proposal is also evident simply in its overwhelmingly one-sided approach. On every issue, the proposal makes judgments, assumptions, or assigns defaults that lead to weakening the standards. This pattern undermines the credibility of the proposal – it is not a reasonable and neutral investigation of the facts, it's an attempt to justify a rollback, nothing more.

## HANDCUFFING CALIFORNIA'S AUHORITY UNDER THE CLEAN AIR ACT

EPA's proposal to revoke California's authority to adopt its own GHG standards and requirements for zero emissions vehicles is another misguided effort. First, this proposal rejects decades of past EPA waiver practice. Second, it runs directly counter to Congress' clear intent under the CAA: California has the greatest possible discretion to run its own motor vehicle emissions control program so it can protect the health and welfare of its residents. This authority is reiterated in the Clean Air Act legislative history, has been recognized for over 40 years by EPA, and has been endorsed by courts. As a result, California has acted as a laboratory for clean car technology innovation for the nation and the entire world. In the face of these decades of practice and law, EPA's current proposal perversely interprets the Clean Air Act, wherever it can, in ways that are clearly aimed to restrain and inhibit California's motor vehicle emissions control program.

The proposal to freeze the GHG standards and revoke California's waiver would surrender our nation's leadership in addressing automotive emissions of greenhouse gases. The Economist ranks [https://www.economist.com/briefing/2014/09/20/the-deepest-cuts] the current 2025 program as one of the world's most meaningful attempts to cut back on GHG emissions. The current proposal would be a step backwards in addressing the most serious environmental threat to public health and welfare. The

technical basis for this proposal is directly contradicted by the findings of EPA staff – the world leader in emission control reduction.

What's more, the current 2025 program works for everyone. Under these standards, car manufacturers have had record sales and profits. Consumers have benefited significantly by saving billions at the pump.

The new proposal would be a disaster for the country and the planet. EPA should re-find its voice, and the proposal should be rejected in its entirety.